

AMENDED IN SENATE AUGUST 31, 2011
AMENDED IN ASSEMBLY MARCH 31, 2011
CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

ASSEMBLY BILL

No. 929

Introduced by Assembly Member Wieckowski

February 18, 2011

An act to amend Sections 703.140 and 704.730 of the Code of Civil Procedure, relating to debtor exemptions.

LEGISLATIVE COUNSEL'S DIGEST

AB 929, as amended, Wieckowski. Debtor exemptions: bankruptcy. Existing law identifies property of a debtor that is exempt from all procedures for enforcement of a money judgment. Under existing law, those exemptions are available to a debtor in a federal bankruptcy case, whether a money judgment is being enforced by execution sale or other procedure, unless the debtor elects certain alternative exemptions. Existing law requires the Judicial Council to, every 3 years, adjust the amount of the exemptions applicable to that exempt property based on the change in the annual California Consumer Price Index for All Urban Consumers, and to prepare conforming forms for those adjustments. *Existing law provides that a specified portion of equity in a homestead, as defined, is exempt from execution to satisfy a judgment debt, and sets forth the amounts of the homestead exemptions available under specified circumstances.*

~~This bill would revise and recast those alternative exemption provisions and would, among other things, increase the exemption available for the debtor's interest in dollar amount of the exemptions for a debtor's interest in motor vehicles, jewelry, heirlooms, and works~~

~~of art; and implements, professional books, or tools and other items used in the debtor's trade, business, or profession or in the trade, business, or profession of the debtor's spouse of the trade of the debtor or the debtor's dependent. The bill would revise the alternative exemption provisions relating to household furnishings, life insurance contracts, wrongful death and personal injury actions, unemployment compensation payments, and cemetery plots and would add to those alternative exemption provisions exemptions for workers' compensation benefits, specified aid payments and relocation benefits, and financial aid for higher education.~~

Existing law provides an exemption from enforcement of a money judgment for a homestead, as defined, in specified amounts.

This bill would *also* increase the amounts of the homestead exemption exemptions.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 ~~SECTION 1. Section 703.140 of the Code of Civil Procedure~~
2 ~~is amended to read:~~
3 ~~703.140. (a) In a case under Title 11 of the United States Code,~~
4 ~~all of the exemptions provided by this chapter, including the~~
5 ~~homestead exemption, other than the provisions of subdivision (b)~~
6 ~~are applicable regardless of whether there is a money judgment~~
7 ~~against the debtor or whether a money judgment is being enforced~~
8 ~~by execution sale or any other procedure, but the exemptions~~
9 ~~provided by subdivision (b) may be elected in lieu of all other~~
10 ~~exemptions provided by this chapter, as follows:~~
11 ~~(1) If a husband and wife are joined in the petition, they jointly~~
12 ~~may elect to utilize the applicable exemption provisions of this~~
13 ~~chapter other than the provisions of subdivision (b), or to utilize~~
14 ~~the applicable exemptions set forth in subdivision (b), but not both.~~
15 ~~(2) If the petition is filed individually, and not jointly, for a~~
16 ~~husband or a wife, the exemptions provided by this chapter other~~
17 ~~than the provisions of subdivision (b) are applicable, except that,~~
18 ~~if both the husband and the wife effectively waive in writing the~~
19 ~~right to claim, during the period the case commenced by filing the~~
20 ~~petition is pending, the exemptions provided by the applicable~~
21 ~~exemption provisions of this chapter, other than subdivision (b),~~

1 in any case commenced by filing a petition for either of them under
2 Title 11 of the United States Code, then they may elect to instead
3 utilize the applicable exemptions set forth in subdivision (b):

4 (3) If the petition is filed for an unmarried person, that person
5 may elect to utilize the applicable exemption provisions of this
6 chapter other than subdivision (b), or to utilize the applicable
7 exemptions set forth in subdivision (b), but not both.

8 (b) The following exemptions may be elected as provided in
9 subdivision (a):

10 (1) The debtor's aggregate interest, not to exceed seventeen
11 thousand four hundred twenty-five dollars (\$17,425) in value, in
12 real property or personal property that the debtor or a dependent
13 of the debtor uses as a residence, or in a cooperative that owns
14 property that the debtor or a dependent of the debtor uses as a
15 residence.

16 (2) (A) The debtor's interest, not to exceed four thousand eight
17 hundred dollars (\$4,800) in any combination of the following:

18 (i) The aggregate equity in motor vehicles.

19 (ii) The proceeds of an execution sale of a motor vehicle.

20 (iii) The proceeds of insurance or other indemnification for the
21 loss, damage, or destruction of a motor vehicle.

22 (B) Proceeds under subparagraph (A) are exempt for a period
23 of 90 days after the proceeds are actually received by the debtor.

24 (C) For the purpose of determining the equity in a motor vehicle,
25 the fair market value of the vehicle shall be determined by reference
26 to used car price guides customarily used by California automobile
27 dealers, unless the motor vehicle is not listed in those price guides.

28 (D) If the debtor has only one motor vehicle and it is sold at an
29 execution sale, the proceeds of the sale, up to four thousand eight
30 hundred dollars (\$4,800), are exempt without making a claim. The
31 levying officer shall consult and may rely upon the records of the
32 Department of Motor Vehicles in determining whether the debtor
33 has only one motor vehicle. In a case covered by this subparagraph,
34 the exemption provided in subparagraph (A) is not available.

35 (3) The debtor's interest, not to exceed four hundred fifty dollars
36 (\$450) in value in any particular item, in household furnishings,
37 household goods, wearing apparel, appliances, books, animals,
38 crops, or musical instruments, that are held primarily for the
39 personal, family, or household use of the debtor or a dependent of
40 the debtor, subject to the following:

1 ~~(A) (i) The item is ordinarily and reasonably necessary to, and~~
2 ~~personally used or procured for use by, the debtor or members of~~
3 ~~the debtor's family at the debtor's principal place of residence.~~

4 ~~(ii) If the debtor and his or her spouse live separate and apart,~~
5 ~~the item is ordinarily and reasonably necessary to, and personally~~
6 ~~used or procured for use by, the spouse or members of the spouse's~~
7 ~~family at the spouse's principal place of residence.~~

8 ~~(B) To determine whether an item is ordinarily and reasonably~~
9 ~~necessary under subparagraph (A), the court shall take into account~~
10 ~~both of the following:~~

11 ~~(i) The extent to which the particular type of item is ordinarily~~
12 ~~found in a household.~~

13 ~~(ii) Whether the particular item has extraordinary value as~~
14 ~~compared to the value of items of the same type in other~~
15 ~~households.~~

16 ~~(C) If an item of property for which an exemption is claimed~~
17 ~~pursuant to this paragraph is determined to not be exempt because~~
18 ~~it has extraordinary value as compared to the value of items of the~~
19 ~~same type found in other households, the proceeds obtained at an~~
20 ~~execution sale of the item are exempt in the amount determined~~
21 ~~by the court to be a reasonable amount sufficient to purchase a~~
22 ~~replacement of ordinary value, if the court determines that a~~
23 ~~replacement is reasonably necessary.~~

24 ~~(D) Proceeds exempt under this paragraph are exempt for a~~
25 ~~period of 90 days after the proceeds are actually received by the~~
26 ~~debtor.~~

27 ~~(4) The debtor's aggregate interest, not to exceed five thousand~~
28 ~~dollars (\$5,000) in value, in jewelry, heirlooms, and works of art~~
29 ~~held primarily for the personal, family, or household use of the~~
30 ~~debtor or a dependent of the debtor.~~

31 ~~(5) The debtor's aggregate interest, not to exceed in value nine~~
32 ~~hundred twenty-five dollars (\$925) plus any unused amount of the~~
33 ~~exemption provided under paragraph (1), in any property.~~

34 ~~(6) (A) The debtor's aggregate interest in tools, implements,~~
35 ~~instruments, materials, uniforms, furnishings, books, equipment,~~
36 ~~one commercial motor vehicle, one vessel, and other personal~~
37 ~~property are exempt to the extent that the aggregate equity in those~~
38 ~~items does not exceed the following:~~

39 ~~(i) Six thousand seventy-five dollars (\$6,075), if reasonably~~
40 ~~necessary to and actually used by the debtor in the exercise of the~~

1 trade, business, or profession by which the debtor earns a
2 livelihood.

3 (ii) Six thousand seventy-five dollars (\$6,075), if reasonably
4 necessary to and actually used by the spouse of the debtor in the
5 exercise of the trade, business, or profession by which the spouse
6 earns a livelihood.

7 (iii) Twice the amount of the exemption provided in clause (ii);
8 if reasonably necessary to and actually used by the debtor and by
9 the spouse of the debtor in the exercise of the same trade, business,
10 or profession by which both earn a livelihood. In the case covered
11 by this clause, the exemptions provided in clauses (i) and (ii) are
12 not available.

13 (B) If property described in subparagraph (A) is sold at an
14 execution sale, or if it has been lost, damaged, or destroyed, the
15 proceeds of the execution sale or of insurance or other
16 indemnification are exempt for a period of 90 days after the
17 proceeds are actually received by the debtor or the debtor's spouse.
18 The amount exempt under this subparagraph is the amount
19 specified in subparagraph (A) that applies to the particular case
20 less the aggregate equity of any other property to which the
21 exemption provided by subparagraph (A) for the particular case
22 has been applied.

23 (C) Notwithstanding subparagraph (A), a motor vehicle is not
24 exempt under subparagraph (A) if there is a motor vehicle exempt
25 under paragraph (2) which is reasonably adequate for use in the
26 trade, business, or profession for which the exemption is claimed
27 under this paragraph.

28 (D) Notwithstanding subparagraphs (A) and (B):

29 (i) The amount of the exemption for a commercial motor vehicle
30 under clause (i) or (ii) of subparagraph (A) is limited to four
31 thousand eight hundred fifty dollars (\$4,850).

32 (ii) The amount of the exemption for a commercial motor vehicle
33 under clause (iii) of subdivision (A) is limited to twice the amount
34 of the exemption provided in clause (i) of this subparagraph.

35 (7) Any unmatured life insurance contract owned by the debtor,
36 other than a credit life insurance contract, subject to the following:

37 (A) Unmatured life insurance contracts, including endowment
38 and annuity contracts, but not the loan value of those contracts,
39 are exempt without making a claim.

~~(B) The aggregate loan value of unmatured life insurance contracts, including endowment and annuity policies, is exempt in the amount of nine thousand seven hundred dollars (\$9,700). If the debtor is married, each spouse is entitled to a separate exemption under this subparagraph and the exemption of the spouses may be combined, regardless of whether the policies belong to either or both spouses and regardless of whether the spouse of the debtor is also a debtor in the case.~~

~~(C) Benefits from matured life insurance contracts, including endowment and annuity contracts, are exempt to the extent reasonably necessary for the support of the debtor and the spouse and dependents of the debtor.~~

~~(8) Professionally prescribed health aids for the debtor or a dependent of the debtor.~~

~~(9) The debtor's right to receive any of the following:~~

~~(A) A social security benefit, unemployment compensation, or a local public assistance benefit.~~

~~(B) A veterans' benefit.~~

~~(C) A disability, illness, or unemployment benefit.~~

~~(D) Alimony, support, or separate maintenance, to the extent reasonably necessary for the support of the debtor and any dependent of the debtor.~~

~~(E) A payment under a stock bonus, pension, profit-sharing, annuity, or similar plan or contract on account of illness, disability, death, age, or length of service, to the extent reasonably necessary for the support of the debtor and any dependent of the debtor, unless all of the following apply:~~

~~(i) That plan or contract was established by or under the auspices of an insider that employed the debtor at the time the debtor's rights under the plan or contract arose.~~

~~(ii) The payment is on account of age or length of service.~~

~~(iii) That plan or contract does not qualify under Section 401(a), 403(a), 403(b), 408, or 408A of the Internal Revenue Code of 1986.~~

~~(F) Public retirement benefits as described in Section 704.110 or private retirement plan benefits as described in Section 704.115.~~

~~(G) Vacation credits as described in Section 704.113.~~

~~(H) Service of earnings assignment orders for support as described in Section 704.114.~~

1 ~~(10) The debtor's right to receive, or property that is traceable~~
2 ~~to, any of the following:~~

3 ~~(A) An award under a crime victim's reparation law.~~

4 ~~(i) Except as provided in Article 5 (commencing with Section~~
5 ~~708.410) of Chapter 6, a cause of action for wrongful death is~~
6 ~~exempt without making a claim.~~

7 ~~(ii) Except as provided in clause (iii), an award of damages or~~
8 ~~a settlement arising out of the wrongful death of the debtor's spouse~~
9 ~~or a person on whom the debtor or the debtor's spouse was~~
10 ~~dependent is exempt to the extent reasonably necessary for support~~
11 ~~of the debtor and the spouse and dependents of the debtor.~~

12 ~~(iii) If an award of damages or a settlement arising out of the~~
13 ~~wrongful death of the debtor's spouse or a person on whom the~~
14 ~~debtor or the debtor's spouse was dependent is payable~~
15 ~~periodically, the amount of the periodic payment that shall not be~~
16 ~~exempt is the amount that may be withheld from a like amount of~~
17 ~~earnings under Chapter 5 (commencing with Section 706.010).~~

18 ~~(B) (i) Before payment, benefits from a disability or health~~
19 ~~insurance policy or program are exempt without making a claim.~~
20 ~~After payment, the benefits are exempt. This subparagraph does~~
21 ~~not apply to benefits that are paid or payable to cover the cost of~~
22 ~~health care if the creditor is a provider of health care whose claim~~
23 ~~is the basis on which the benefits are paid or payable.~~

24 ~~(ii) During the payment of disability benefits described in this~~
25 ~~subparagraph to a debtor under a support judgment, the judgment~~
26 ~~creditor or local child support agency may seek to apply the benefit~~
27 ~~payments to satisfy the judgment by an earnings assignment order~~
28 ~~for support, as defined in Section 706.011, or any other applicable~~
29 ~~enforcement procedure, but the amount to be withheld pursuant~~
30 ~~to the earnings assignment order or other procedure shall not~~
31 ~~exceed the amount permitted to be withheld on an earnings~~
32 ~~assignment order for support under Section 706.052.~~

33 ~~(11) (A) Except as provided in Article 5 (commencing with~~
34 ~~Section 708.410) of Chapter 6, a cause of action for personal injury~~
35 ~~is exempt without making a claim.~~

36 ~~(B) Except as provided in subparagraphs (C) and (D), an award~~
37 ~~of damages or a settlement arising out of personal injury is exempt~~
38 ~~to the extent necessary for the support of the debtor and the spouse~~
39 ~~and dependents of the debtor.~~

1 ~~(C) Subparagraph (B) does not apply if the judgment creditor~~
2 ~~is a provider of health care whose claim is based on the providing~~
3 ~~of health care for the personal injury for which the award or~~
4 ~~settlement was made.~~

5 ~~(D) If an award of damages or a settlement arising out of~~
6 ~~personal injury is payable periodically, the amount of the periodic~~
7 ~~payment that shall not be exempt is the amount that may be~~
8 ~~withheld from a like amount of earnings under Chapter 5~~
9 ~~(commencing with Section 706.010).~~

10 ~~(12) Contributions by employees and employers to the~~
11 ~~Unemployment Compensation Disability Fund are exempt without~~
12 ~~making a claim.~~

13 ~~(A) Before payment, amounts held for payment of the following~~
14 ~~benefits are exempt without making a claim:~~

15 ~~(i) Benefits payable under Division 1 (commencing with Section~~
16 ~~100) of the Unemployment Insurance Code.~~

17 ~~(ii) Incentives payable under Division 2 (commencing with~~
18 ~~Section 5000) of the Unemployment Insurance Code.~~

19 ~~(iii) Benefits payable under an employer's plan or system to~~
20 ~~supplement unemployment compensation benefits of the employees~~
21 ~~generally or for a class or group of employees.~~

22 ~~(iv) Unemployment benefits payable by a fraternal organization~~
23 ~~to its bona fide members.~~

24 ~~(v) Benefits payable by a union due to a labor dispute.~~

25 ~~(B) After payment, the benefits described in subparagraph (A)~~
26 ~~are exempt.~~

27 ~~(C) During the payment of benefits described in clause (i) of~~
28 ~~subparagraph (A) to a debtor under a support judgment, the~~
29 ~~judgment creditor may, through the appropriate local child support~~
30 ~~agency, seek to apply the benefit payment to satisfy the judgment~~
31 ~~as provided by Section 17518 of the Family Code.~~

32 ~~(D) During the payment of benefits described in clauses (ii) to~~
33 ~~(v), inclusive, of subparagraph (A) to a debtor under a support~~
34 ~~judgment, the judgment creditor may, directly or through the~~
35 ~~appropriate local child support agency, seek to apply the benefit~~
36 ~~payments to satisfy the judgment by an earnings assignment order~~
37 ~~for support as defined in Section 706.011 or any other applicable~~
38 ~~enforcement procedure. If the benefit is payable periodically, the~~
39 ~~amount to be withheld pursuant to the assignment order or other~~
40 ~~procedure shall be 25 percent of the amount of each periodic~~

1 payment or any lower amount specified in writing by the judgment
2 creditor or court order, rounded down to the nearest whole dollar.
3 Otherwise the amount to be withheld shall be the amount the court
4 determines under subdivision (c) of Section 703.070. The paying
5 entity may deduct from each payment made pursuant to an
6 assignment order under this subparagraph an amount reflecting
7 the actual cost of administration caused by the assignment order
8 up to two dollars (\$2) for each payment.

9 (13) (A) Except as provided by Chapter 1 (commencing with
10 Section 4900) of Part 3 of Division 4 of the Labor Code, before
11 payment, a claim for workers' compensation or workers'
12 compensation awarded or adjudged is exempt without making a
13 claim. Except as specified in subparagraph (B), after payment, the
14 award is exempt.

15 (B) Notwithstanding any other provision of law, during the
16 payment of workers' compensation temporary disability benefits
17 described in subparagraph (A) to a support judgment debtor, the
18 support judgment creditor may, through the appropriate local child
19 support agency, seek to apply the workers' compensation
20 temporary disability benefit payment to satisfy the support
21 judgment as provided by Section 17404 of the Family Code.

22 (C) Notwithstanding any other provision of law, during the
23 payment of workers' compensation temporary disability benefits
24 described in subparagraph (A) to a support judgment debtor under
25 a support judgment, including a judgment for reimbursement of
26 public assistance, the judgment creditor may, directly or through
27 the appropriate local child support agency, seek to apply the
28 temporary disability benefit payments to satisfy the support
29 judgment by an earnings assignment order for support, as defined
30 in Section 5208 of the Family Code, or any other applicable
31 enforcement procedure. The amount to be withheld pursuant to
32 the earnings assignment order for support or other enforcement
33 procedure shall be 25 percent of the amount of each periodic
34 payment or any lower amount specified in writing by the judgment
35 creditor or court order, rounded down to the nearest dollar.
36 Otherwise, the amount to be withheld shall be the amount the court
37 determines under subdivision (c) of Section 703.070. The paying
38 entity may deduct from each payment made pursuant to an order
39 assigning earnings under this subparagraph an amount reflecting

1 the actual cost of administration of this assignment, up to two
2 dollars (\$2) for each payment.

3 (D) Unless the provision or context otherwise requires, the
4 following definitions govern the construction of this paragraph
5 and paragraphs (10) to (12), inclusive:

6 (i) “Judgment debtor” or “support judgment debtor” means a
7 person who is owing a duty of support.

8 (ii) “Judgment creditor” or “support judgment creditor” means
9 the person to whom support has been ordered to be paid.

10 (iii) “Support” refers to an obligation owing on behalf of a child,
11 spouse, or family, or an amount owing pursuant to Section 17402
12 of the Family Code. It also includes past due support or arrearage
13 when it exists.

14 (14) Before payment, aid provided pursuant to Division 9
15 (commencing with Section 10000) of the Welfare and Institutions
16 Code, or similar aid provided by a charitable organization or a
17 fraternal benefit society as defined in Section 10990 of the
18 Insurance Code, is exempt without making a claim. After payment,
19 the aid is exempt.

20 (15) Before payment, relocation benefits for displacement from
21 a dwelling which are to be paid pursuant to Chapter 16
22 (commencing with Section 7260) of Division 7 of Title 1 of the
23 Government Code or the federal Uniform Relocation Assistance
24 and Real Property Acquisition Policies Act of 1970 (42 U.S.C.
25 Sec. 4601 et seq.), as amended, are exempt without making a claim.
26 After payment, the benefits are exempt.

27 (16) (A) As used in this paragraph, “institution of higher
28 education” means “institution of higher education” as defined in
29 Section 1141(a) of Title 20 of the United States Code, as amended.

30 (B) Before payment, financial aid for expenses while attending
31 school provided to a student by an institution of higher education
32 is exempt without making a claim. After payment, the aid is
33 exempt.

34 (17) (A) As used in this paragraph:

35 (i) “Cemetery” has the meaning provided by Section 7003 of
36 the Health and Safety Code.

37 (ii) “Family plot” is a plot that satisfies the requirements of
38 Section 8650 of the Health and Safety Code.

39 (iii) “Plot” has the meaning provided by Section 7022 of the
40 Health and Safety Code.

1 ~~(B) A family plot is exempt without making a claim.~~

2 ~~(C) Except as provided in subparagraph (D), a cemetery plot~~
3 ~~for the debtor and the spouse of the debtor is exempt.~~

4 ~~(D) Land held for the purpose of sale or disposition as cemetery~~
5 ~~plots or otherwise is not exempt.~~

6 ~~(18) Property that is not subject to enforcement of a money~~
7 ~~judgment is exempt without making a claim.~~

8 *SECTION 1. Section 703.140 of the Code of Civil Procedure*
9 *is amended to read:*

10 703.140. (a) In a case under Title 11 of the United States Code,
11 all of the exemptions provided by this chapter, including the
12 homestead exemption, other than the provisions of subdivision (b)
13 are applicable regardless of whether there is a money judgment
14 against the debtor or whether a money judgment is being enforced
15 by execution sale or any other procedure, but the exemptions
16 provided by subdivision (b) may be elected in lieu of all other
17 exemptions provided by this chapter, as follows:

18 (1) If a husband and wife are joined in the petition, they jointly
19 may elect to utilize the applicable exemption provisions of this
20 chapter other than the provisions of subdivision (b), or to utilize
21 the applicable exemptions set forth in subdivision (b), but not both.

22 (2) If the petition is filed individually, and not jointly, for a
23 husband or a wife, the exemptions provided by this chapter other
24 than the provisions of subdivision (b) are applicable, except that,
25 if both the husband and the wife effectively waive in writing the
26 right to claim, during the period the case commenced by filing the
27 petition is pending, the exemptions provided by the applicable
28 exemption provisions of this chapter, other than subdivision (b),
29 in any case commenced by filing a petition for either of them under
30 Title 11 of the United States Code, then they may elect to instead
31 utilize the applicable exemptions set forth in subdivision (b).

32 (3) If the petition is filed for an unmarried person, that person
33 may elect to utilize the applicable exemption provisions of this
34 chapter other than subdivision (b), or to utilize the applicable
35 exemptions set forth in subdivision (b), but not both.

36 (b) The following exemptions may be elected as provided in
37 subdivision (a):

38 (1) The debtor's aggregate interest, not to exceed seventeen
39 thousand four hundred twenty-five dollars (\$17,425) in value, in
40 real property or personal property that the debtor or a dependent

1 of the debtor uses as a residence, in a cooperative that owns
2 property that the debtor or a dependent of the debtor uses as a
3 residence, ~~or in a burial plot for the debtor or a dependent of the~~
4 ~~debtor.~~

5 (2) The debtor's interest, not to exceed ~~two thousand seven~~
6 ~~hundred seventy-five dollars (\$2,775)~~ *four thousand eight hundred*
7 *dollars (\$4,800)* in value, in one *or more* ~~motor vehicle vehicles.~~

8 (3) The debtor's interest, not to exceed four hundred fifty dollars
9 (\$450) in value in any particular item, in household furnishings,
10 household goods, wearing apparel, appliances, books, animals,
11 crops, or musical instruments, that are held primarily for the
12 personal, family, or household use of the debtor or a dependent of
13 the debtor.

14 (4) The debtor's aggregate interest, not to exceed ~~one thousand~~
15 ~~one hundred fifty dollars (\$1,150)~~ *five thousand dollars (\$5,000)*
16 in value, in jewelry held primarily for the personal, family, or
17 household use of the debtor or a dependent of the debtor.

18 (5) The debtor's aggregate interest, not to exceed in value nine
19 hundred twenty-five dollars (\$925) plus any unused amount of the
20 exemption provided under paragraph (1), in any property.

21 (6) The debtor's aggregate interest, not to exceed ~~one thousand~~
22 ~~seven hundred fifty dollars (\$1,750)~~ *six thousand seventy-five*
23 *dollars (\$6,075)* in value, in any implements, professional books,
24 or tools of the trade of the debtor or the trade of a dependent of
25 the debtor.

26 (7) Any unmaturing life insurance contract owned by the debtor,
27 other than a credit life insurance contract.

28 (8) The debtor's aggregate interest, not to exceed in value nine
29 thousand three hundred dollars (\$9,300), in any accrued dividend
30 or interest under, or loan value of, any unmaturing life insurance
31 contract owned by the debtor under which the insured is the debtor
32 or an individual of whom the debtor is a dependent.

33 (9) Professionally prescribed health aids for the debtor or a
34 dependent of the debtor.

35 (10) The debtor's right to receive any of the following:

36 (A) A social security benefit, unemployment compensation, or
37 a local public assistance benefit.

38 (B) A veterans' benefit.

39 (C) A disability, illness, or unemployment benefit.

1 (D) Alimony, support, or separate maintenance, to the extent
2 reasonably necessary for the support of the debtor and any
3 dependent of the debtor.

4 (E) A payment under a stock bonus, pension, profit-sharing,
5 annuity, or similar plan or contract on account of illness, disability,
6 death, age, or length of service, to the extent reasonably necessary
7 for the support of the debtor and any dependent of the debtor,
8 unless all of the following apply:

9 (i) That plan or contract was established by or under the auspices
10 of an insider that employed the debtor at the time the debtor's
11 rights under the plan or contract arose.

12 (ii) The payment is on account of age or length of service.

13 (iii) That plan or contract does not qualify under Section 401(a),
14 403(a), 403(b), 408, or 408A of the Internal Revenue Code of
15 1986.

16 (11) The debtor's right to receive, or property that is traceable
17 to, any of the following:

18 (A) An award under a crime victim's reparation law.

19 (B) A payment on account of the wrongful death of an individual
20 of whom the debtor was a dependent, to the extent reasonably
21 necessary for the support of the debtor and any dependent of the
22 debtor.

23 (C) A payment under a life insurance contract that insured the
24 life of an individual of whom the debtor was a dependent on the
25 date of that individual's death, to the extent reasonably necessary
26 for the support of the debtor and any dependent of the debtor.

27 (D) A payment, not to exceed seventeen thousand four hundred
28 twenty-five dollars (\$17,425), on account of personal bodily injury,
29 not including pain and suffering or compensation for actual
30 pecuniary loss, of the debtor or an individual of whom the debtor
31 is a dependent.

32 (E) A payment in compensation of loss of future earnings of
33 the debtor or an individual of whom the debtor is or was a
34 dependent, to the extent reasonably necessary for the support of
35 the debtor and any dependent of the debtor.

36 SEC. 2. Section 704.730 of the Code of Civil Procedure is
37 amended to read:

38 704.730. (a) The amount of the homestead exemption is one
39 of the following:

1 (1) One hundred fifty thousand dollars (\$150,000) unless the
2 judgment debtor or spouse of the judgment debtor who resides in
3 the homestead is a person described in paragraph (2) or (3).

4 (2) Two hundred fifty thousand dollars (\$250,000) if the
5 judgment debtor or spouse of the judgment debtor who resides in
6 the homestead is at the time of the attempted sale of the homestead
7 a member of a family unit, and there is at least one member of the
8 family unit who owns no interest in the homestead or whose only
9 interest in the homestead is a community property interest with
10 the judgment debtor.

11 (3) Three hundred fifty thousand dollars (\$350,000) if the
12 judgment debtor or spouse of the judgment debtor who resides in
13 the homestead is at the time of the attempted sale of the homestead
14 any one of the following:

15 (A) A person 65 years of age or older.

16 (B) A person physically or mentally disabled who as a result of
17 that disability is unable to engage in substantial gainful
18 employment. There is a rebuttable presumption affecting the burden
19 of proof that a person receiving disability insurance benefit
20 payments under Title II or supplemental security income payments
21 under Title XVI of the federal Social Security Act satisfies the
22 requirements of this paragraph as to his or her inability to engage
23 in substantial gainful employment.

24 (C) A person 55 years of age or older with a gross annual income
25 of not more than twenty-two thousand dollars (\$22,000) or, if the
26 judgment debtor is married, a gross annual income, including the
27 gross annual income of the judgment debtor's spouse, of not more
28 than twenty-nine thousand dollars (\$29,000) and the sale is an
29 involuntary sale.

30 (b) Notwithstanding any other provision of this section, the
31 combined homestead exemptions of spouses on the same judgment
32 shall not exceed the amount specified in paragraph (2) or (3),
33 whichever is applicable, of subdivision (a), regardless of whether
34 the spouses are jointly obligated on the judgment and regardless
35 of whether the homestead consists of community or separate
36 property or both. Notwithstanding any other provision of this
37 article, if both spouses are entitled to a homestead exemption, the
38 exemption of proceeds of the homestead shall be apportioned

- 1 between the spouses on the basis of their proportionate interests
- 2 in the homestead.

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